



DEPARTMENT OF STATE
WASHINGTON 20520

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August 16, 1965

Dear Otto,

I would like to reaffirm what I said at our recent EIC meeting about your proposal to review the subcommittee structure of the Committee. The intelligence community has changed radically in the years since our present subcommittee structure was established. Committees that were formed when the major economic intelligence problems were estimative in nature do not appear necessarily appropriate now that the economic intelligence problems are mainly analytical and interpretative. Reorganizations in ORR and in INR, as well as elsewhere, have reflected these changes in orientation, yet the EIC committee structure remains essentially as it was a decade ago. While a review might, of course, conclude that the present subcommittee structure is still the most appropriate -- and that the present relative inactivity accurately reflects a real lack of value in more interagency consultation -- I would think that your proposed exercise would be well worth the effort.

One of the things that is not now done and might possibly be done through the EIC is an interchange on current economic issues insofar as they bear on military and political affairs. I should think, for example, that an exchange of views among DIA, ORR, and INR on the relation between Soviet economic reform proposals and military industries, on the one hand, and party discipline, on the other, would prove worthwhile for all concerned. Clarification within the EIC structure of the new ORR estimates of the Soviet military budget before the revised estimates were churned into the National Intelligence Estimate machinery might have saved us all some headaches and possibly have made one NIE footnote unnecessary.

What I am suggesting is that we might find it highly useful to form a group under the EIC that would look at economic issues in a sub-national-intelligence-estimate manner: a group that would look at problems that may be potential NIE fodder or that may have national intelligence ramifications even though they may

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Dr. Otto E. Guthe,
Chairman, Economic Intelligence Committee,
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never reach that level of treatment. Such a group should not be rigidly defined either in terms of the scope of problems for consideration or in terms of individuals who would take part. Rather, the group should have flexibility, for example, to move from East-West or interzonal trade at one meeting to Czechoslovak economic reform at the next and to Soviet agricultural problems at still another. And the membership of the group should be flexible also to reflect the character of the problem under discussion.

While I am not ready to put forward a definite proposal along these lines, I would appreciate an opportunity to discuss it with others who may be interested in the role of the EIC. I shall be happy to discuss the matter with you or anyone you may designate at any time.

Sincerely,



Morris H. Crawford
Department of State Representative
Economic Intelligence Committee

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